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474 Party committees on July 31, 1955, calling for the acceleration of the "co-operativization" movement in all regions. At the 6th Plenary Session[11] of the 7th Central Committee of the Communist Party, it was resolved that 1,300,000 producers' co-operatives would be organized before the "spring plowing" in 1956. As the result of the vigorous efforts of the cadres, some 1,240,000 co-operatives had been organized by November 1955. Of this number, a phenomenal number (590,000 co-operatives) were organized between August and November of that year.[12] The exact number of co-operatives in the Southwest China region has not been reported. However, if we estimate the possible number on the basis of the ratio between the region's rural population and the rural population in the country as a whole, at least 165,000 producers' co-operatives must have been organized in Southwest China before the end of 1955.

• 475 No current statistics are avilable on the total number of state-owned and state-operated farms in Southwest China. However,

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11. Ibid.
12. China Daily News, Nov. 24, 1955.

1:Stanford U. S-4, 5 1956 AF16 SW China
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475 according to an incomplete report made in 1952, there were approximately 200 state farms of varying sizes in Southwest China.[13]

V. AGRICULTURAL PRODUCTION

A. Production of Grain

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433 Szechwan Province produces more grain than other provinces in the Southwest China region. The entire region produces approximately 17 per cent of the grain produced in China as a whole; Szechwan Province alone produces 10 per cent of the country's grain; the other three provinces together produce only 7 per cent of the total for the entire country.

The western Szechwan plains, irrigated by the 2,000-year-old Tu-chiang Yen Reservoir, is considered one of the richest granaries in China.[14] The province of

13. Kung-fei T'u-kai Pen-chih Chi Ch'i Yen-pien [Land Reform and Its Development in Communist China], Taipei, 6th Section, Central Reform Committee, Nationalist Party, 1952, p. 63.
14. China Daily News, Aug. 31, 1955.

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438 supply farm implements, fertilizer, and a
474 great number of other commodities for both production and consumption purposes to their members. The state trading companies usually draw up contracts in advance to supply products at fixed low prices to co-operatives. The exact number of supply and marketing co-operatives in Southwest China is unknown, but reports indicate that the number has increased rapidly since 1953. By the third quarter of 1955, there were co-operatives in cities in Southwest China and almost every hsiang (group of villages) had at least one co-operative.[89] Co-operatives accounted for one-quarter of the total national retail trade in 1953 -- 18 per cent of the total retail trade in the cities and 30 per cent of that in rural areas. About 75 per cent of all the purchases by co-operatives were made on behalf of the state.[90]

C. State-Capitalist Companies

475 The principal "State-Capitalist" corporations serve as distributors of the

89. Far Eastern Economic Review, Hong Kong, May 12, 1955, p. 597.
90. Ibid.

1:Stanford U. S-4, 5 1956 AF16 SW China
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475 products of supply and marketing co-operatives on a commission basis. Private merchants purchase commodities from state trading companies at wholesale prices and resell them to consumers at retail prices fixed by the state. Joint state-private ownership has replaced private-capitalist ownership, and the state invests capital in trading firms under joint management. Throughout China approximately 200,000 private wholesale merchants and 2,000,000 retail traders had been forced to accept "socialist transformation" by the end of 1953. By early 1955, almost 100 per cent of the wholesale merchants dealing in grain, lumber, edible oil, and salt accepted the change to the "state-capitalism" arrangement.[91]

D. Private Companies

472 656 Private traders and individual merchants, too, have been led on the road of state-capitalism. As a result of the growing monopoly of state-owned companies, private wholesale dealers have either been

91. Kung-shang-chieh [Industry and Commerce] Peking, Aug. 10, 1955, p. 17.